implementing various programmes to improve the socio-economic conditions of plantation labourers.

Setback to coffee export

1256. DR. DASARI NARAYANA RAO: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that export of coffee from the country particularly to the developed countries and also the domestic consumption has suffered a setback in the recent past;

(b) if so, the details thereof and the reasons therefor;

(c) whether exports are suffering due to stiff competition from Vietnam; and

(d) if so, what corrective measures Government are taking in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CHENNANANENI VIDYASAGAR RAO): (a) and (b) During 2001-02 and 2002-03, the quantity of coffee exported from India was 2.14 lakh tonnes and 2.07 lakhs tonnes respectively as against 2.47 lakh tonnes exported in the year 2000-01. One reason for this decline is the increase in domestic consumption of coffee in the last two years from around 55,000-60,000 tonnes per annum to around 70,000 tonnes per annum. Further, the production of coffee, which has a direct linkage to the quantity of coffee exported, has also declined from 3 lakh tonnes in 2001-02 to 2.75 lakh tonnes in 2002-03, resulting in lesser exports.

Coffee exports to major developed countries like Russia, Belgium and Spain have been more or less consistent in the last few years while exports to Italy have shown a significant increase. However, exports to USA and Germany have shown a downward trend in the past two years mainly on account of logistical advantage of origin like Brazil and other Central American producers because of their closer proximity to USA and in the case of Germany, its preference for cheaper Robusta coffees from origins like Vietnam.

(c) and (d) It is a fact that there is an increasing threat from bigger coffee producing origins such as Brazil (in arabica) and Vietnam (in

robusta) to gain market share in the global markets at the expense of other origins, specially India, which produces both arabica and robusta coffee.

In order to expand the market share of Indian coffee in key international markets as well as to maximise the export earnings, the Coffee Board is implementing a medium term export strategy prepared through a private consultant. To this end, the Board is also undertaking promotional campaigns in key overseas markets besides participating in the major international trade events. Further, in order to reduce the handling costs and making the Indian coffee competitive *vis-a-vis* other origins, the Coffee Board also implemented a scheme, under which financial assistance upto Rs. 500 per tonne was provided to the Indian coffee exporters.

In addition, the Coffee Board has instituted export excellence awards to encourage the Indian Coffee exporters to produce better coffees and also speciality coffees, which fetch attractive premiums in the world market.

Export of trade and services to Sri Lanka

1257. SHRI VIJAY J. DARDA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the quantum of export of trade and services with Sri Lanka during the last two years;

(b) the percentage of increase India visualises after Comprehensive Economic Partnership Agreement comes into effect; and

(c) the salient points of 'additional flexibility' envisaged in the recommendations on the Rules of Origin Group cochaired by the Deputy Governor of RBI?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI SATYABRATA MOOKHERJEE): (a) The data in respect of export of goods from India to Sri Lanka for the last two years is as follows: